Cutright & Hardwick



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December 26, 2001

Honorable Philip N. Asprodites Commissioner of Conservation P O Box 94275 Baton Rouge, LA 70804

Re:

Hearing Application

LeBouef Zone, Reservoir A

ABBEVILLE FIELD

Vermilion Parish, Louisiana

Applicant: Austral Oil & Exploration, Inc.

Dear Mr. Commissioner:

Application is hereby made on behalf of AUSTRAL OIL & EXPLORATION, INC. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the LeBouef Zone, Reservoir A in the Abbeville Field, Vermilion Parish, Louisiana:

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the LeBouef Zone, Reservoir A in the Abbeville Field, Vermilion Parish, Louisiana;
- To create a single drilling and production unit for the LeBouef Zone, Reservoir A, designated as the LEBOUEF RA SUA as shown on the plat attached hereto;
- To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production on a surface acreage basis of participation;
- 4. To designate a unit well, an alternate unit well, and unit operator for the unit so created;
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;

6. To consider such other matters as may be pertinent to the LeBouef Zone, Reservoir A.

The LeBouef Zone, Reservoir A, in the Abbeville Field, Vermilion Parish, Louisiana, is hereby defined as that gas and condensate bearing zone found between the depths of 12812 feet and 12910 feet (electric log measurements) in the Austral Oil & Exploration, Inc. -- Villien-Gooch, et al, No. 3 Well located in Section 68, Township 12 South, Range 3 East, Vermilion Parish, Louisiana.

Pursuant to the Revised Rules of Procedure, a pre-application conference to discuss the proposed application and any opposition thereto was held as scheduled on Monday, December 10, 2001, at the Petroleum Club, 111 Heymann Boulevard, Lafayette, Louisiana, 70503. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference. Mr. Travis A. Helms, geological consultant for the applicant, discussed the geological, engineering and other bases for this application. Questions were asked and answered. Mr. Frank Harrison, on behalf of Clara Bohn and Ed Villien, presented a counterplan. The applicant suggested that the various parties try to resolve differences in subsequent negotiations. After further discussion, questions and answers, the conference was adjourned. Subsequently, the applicant and all represented parties were able to resolve their differences, and have agreed to a compromise unit proposal, which is reflected on the attached plat. The applicant is not aware of any opposition to the current proposal.

In addition to furnishing the legal notice to all Interested Owners, Represented Parties and Interested Parties, the applicant will provide for posting of the legal notice of the hearing and unit plat in a prominent place in the area of Abbeville Field. Additionally, the legal notice will be published in a newspaper of general circulation in the vicinity of Abbeville Field, at least fifteen (15) days before the hearing date. All pertinent data relating to this proposed application may be obtained AT THE COST OF THE REQUESTING PARTY from Cutright & Hardwick, P O Box 80972, Lafayette, LA 70598-0972, (337) 232-7756.

Enclosed to the Commissioner of Conservation and District Manager is a list of Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Copies of this list will be provided upon request. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours.

James F. Hardwick

President

JFH:tah Enclosures

cc: Mr. Richard Hudson District Manager

Interested Parties Interested Owners Represented Parties

